



Connecticut Department
of
**ENERGY &
ENVIRONMENT**

SMALL BUSINESS IMPACT STATEMENTS

Amendment of RCSA Section 22a-174-3a Permit to Construct and Operate Stationary Sources

Prior to adopting a new section or amendment, section 4-168a of the Connecticut General Statutes (CGS) requires that each state agency consider the effect of such action on small businesses as defined in CGS section 4-168a. When such regulatory action may have an adverse effect on small businesses, CGS section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency Submitting Proposed Amendment: Energy and Environmental Protection (DEEP)

Subject of Regulation: Air quality permitting for emissions of fine particulate matter

In accordance with CGS section 4-168a, staff analyzed the effect on small businesses of the proposed regulations and determined the following:

Check all appropriate boxes:

- ☒ The regulatory action will not have an effect on small businesses. **SEE EXPLANATION**
- ☐ The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- ☐ The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially effected small business. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- ☐ The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

Explanation: DEEP is proposing this amendment to include the pollutant fine particulate matter, or PM_{2.5}, in DEEP's new source review (NSR) permit program. While the Environmental Protection Agency (EPA) first promulgated a National Ambient Air Quality Standard for PM_{2.5} in 1997, EPA allowed states to use the pollutant PM₁₀ as a surrogate for PM_{2.5} in NSR permitting programs until certain technical problems were resolved and EPA issued guidance for the states, which occurred recently. Consistent with EPA's direction, the amendment adds several NSR program elements for sources of PM_{2.5}, including significant impact levels, significant emissions rates and increments. The amendment also adds PM_{2.5} to the requirements for internal offset or certified emission reduction credits in nonattainment areas. DEEP has until July 20, 2012 to adopt the necessary requirements for PM_{2.5} in DEEP's NSR permit program.

As the NSR program only applies to major sources and major modifications, DEEP does not expect sources subject to permitting requirements under the amendment to be small businesses. Should any small business be required under the NSR program to apply for a NSR permit, the amendment will add no costs to those the applicant would incur under the current NSR program regulation. Since 2009, sources have been required to assess PM_{2.5} as a pollutant under DEEP's interim NSR modeling procedures and policy. Thus, the amendment does not add new permit modeling or other requirements but simply includes the necessary emissions levels and rates within the program regulation.

STAGE II VAPOR RECOVERY AMENDMENT

State Agency Submitting Proposed Amendment: Energy and Environmental Protection (DEEP)

Subject of Regulation: Stage II vapor recovery systems

In accordance with CGS section 4-168a, staff analyzed the effect on small businesses of the proposed amendment and determined the following:

Check all appropriate boxes:

- ☒ The regulatory action will not have an effect on small businesses. **SEE EXPLANATION**
- ☒ The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses. **SEE EXPLANATION**
- ☐ The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to small businesses potentially impacted. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- ☐ The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

Explanation: The purpose of the amendment is to provide a method for gasoline dispensing facilities that exclusively service rental vehicles to request an exemption from the requirement to install stage II vapor recovery systems. Section 202(a)(6) of the Clean Air Act allows the U.S. Environmental Protection Agency (EPA) to waive Stage II requirements for certain ozone nonattainment areas when onboard refueling vapor recovery (ORVR) systems are in widespread use in a motor vehicle fleet. In a 2006 memorandum, EPA identified dispensing facilities that exclusively service rental vehicles as a category for which widespread use may occur earlier than for the motor vehicle fleet as a whole. EPA determined that widespread use occurs when 95% of the vehicles in a rental vehicle fleet are equipped with ORVR. At this level of ORVR use, the volatile organic compound (VOC) emissions resulting from the application of ORVR alone equal the VOC emissions when both stage II vapor recovery systems and ORVR are used. Therefore, continuing to require dispensing facilities for fleets with a 95% level of ORVR use will financially burden such facilities without improving air quality.

DEEP does not expect the amendment to affect small businesses in Connecticut adversely. DEEP is aware of seven dispensing facilities in Connecticut that are currently required to install stage II vapor recovery systems under section 22a-174-30(b) of the Regulations of Connecticut State Agencies (RCSA)

and may be eligible for exemption under this amendment.¹ DEEP does not know whether any of the seven qualify as small businesses. Regardless of the business size categorization, the impact on such businesses is a reduction in financially burdensome maintenance, testing, and reporting requirements.

¹ The seven dispensing facilities are:

- Hertz Corp; Bradley International Airport, Schoephoester Rd., Windsor Locks
- Enterprise (Car Rental); 1 National Dr., Windsor Locks
- National Car Rental # 89 / Alamo; Schoephoester Rd., Windsor Locks
- Cedante Car Rental Group dba Avis Rent A Car; 58 Mill Plain Rd., Danbury
- Cedante Car Rental Group dba Avis Rent A Car ; 4 Schoephoester Rd., Windsor Locks
- Cedante Car Rental Group dba Budget Rent A Car; 85 Schoephoester Rd., Windsor Locks
- Cedante Car Rental Group dba Avis Rent A Car; 64 Henry St., Stamford

LOW EMISSION VEHICLE PROGRAM AMENDMENT

State Agency Submitting Proposed Amendment: Energy and Environmental Protection (DEEP)

Subject of Regulation: Low Emissions Vehicle Program – greenhouse gas standards

In accordance with CGS section 4-168a, staff analyzed the effect on small businesses of the proposed regulations and determined the following:

Check all appropriate boxes:

- ☒ The regulatory action will not have an effect on small businesses. SEE EXPLANATION
- ☐ The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- ☐ The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- ☐ The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

Explanation: The revisions to RCSA section 22a-174-36b allow Connecticut to comply with the “identity” provisions of section 177 of the Clean Air Act (CAA) and section 22a-174g of the Connecticut General Statutes. Section 22a-174g requires DEEP to update the low emission vehicle (LEV) program in response to changes in California’s LEV program. California last revised its LEV program in March 2010.

The revisions add compliance flexibility for large vehicle manufacturers in three ways. First, the revisions allow manufacturers to comply with the national vehicle greenhouse gas standard starting in 2012 as an alternative means of compliance. Second, the revisions allow manufacturers to demonstrate compliance using the “pooled” California and CAA section 177 state fleet rather than the current Connecticut-specific fleet average requirement. Third, manufacturers will be allowed to use Corporate Average Fuel Economy standard data as a basis for compliance rather than generating a separate set of compliance data.

The following brief statements address specific issues regarding the impact of the proposed regulations on small businesses:

- The proposed amendments are not expected to have an adverse impact on small businesses in Connecticut.
- There are no reporting requirements, schedules or deadline requirements for small businesses.
- There are no costs associated with these compliance options that are anticipated to be passed on to small businesses or consumers in the state.

- There is currently no vehicle manufacturing in Connecticut involving the final assembly of vehicles that would affect small business.
- Affiliated businesses such as dealerships or parts manufacturers should not experience any changes in business creation, elimination, or expansion due to these amendments.
- Several of the surrounding states have adopted, or expect to adopt, similar requirements, so there are no expected disadvantages to small businesses on the Connecticut borders.

REPEAL OF NON-CORE AIR QUALITY PROGRAMS

State Agency Submitting Proposed Amendment: Energy and Environmental Protection (DEEP)

Subject of Regulation: Repeal of non-core air quality programs

In accordance with CGS section 4-168a, staff analyzed the effect on small businesses of the proposed regulations and determined the following:

Check all appropriate boxes:

- ☒ The regulatory action will not have an effect on small businesses. **SEE EXPLANATION**
- ☐ The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- ☐ The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to small businesses potentially impacted. Alternatives considered include the following:
- (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- ☐ The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

Explanation: This amendment proposes to repeal the following air management regulatory programs:

- Control of open burning;
- Portable fuel container spillage control; and
- Permits for construction of indirect sources.

The repeal of the three programs is expected to have no impact on small businesses, as follows:

- For control of open burning, the repeal is mainly administrative in nature, changing how obligations by DEEP and municipalities are assigned under the authority of the program operated by statute, CGS section 22a-174(f). Businesses that may be the focus of open burning control should receive similar treatment with or without the repeal.
- For portable fuel containers, the repeal recognizes the promulgation of a federal program that regulates the manufacture of portable fuel containers. While there are no small businesses that manufacture portable fuel containers known to DEEP in Connecticut, any such small business may experience a small administrative savings from the removal of overlapping state and federal regulatory requirements.
- Indirect source permits are issued to the Department of Transportation (DOT) for specific, large highway construction projects. No impact on small businesses will result from the repeal of that permit program and the implementation of emissions control measures by agreement with DOT.